



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

November 17, 2003

Duane Crutchfield
Ash Grove Cement Company
8900 Indian Creek Parkway, Suite 600
Overland Park, Kansas 66210

Re: Formal Approval of Notice of Intention to Revise Large Mining Operations and Form and Amount of Updated Reclamation Surety, Ash Grove Cement Company, Nielson Sandstone Mine, M/023/012, Juab County, Utah

Dear Mr. Crutchfield:


On November 17, 2003, the Director of the Division of Oil, Gas and Mining formally approved the form and amount of updated reclamation surety for Ash Grove Cement Company's Nielson Sandstone mine. The reclamation surety now in the amount of \$1,105,500.00 was provided via a rider to the existing surety bond (# [redacted]) issued by Travelers Casualty and Surety Company of America. ***The Division hereby grants its final approval of your revised large mining notice of intention and the reclamation surety for the Nielson Sandstone Mine.*** You may now begin mining operations as outlined in your revised large mining notice of intention. Please be advised that you must also acquire formal approval from the Bureau of Land Management, prior to commencing.

Enclosed please find copies of the fully signed and executed Reclamation Contract and surety bond forms for your files. We have enclosed the existing original Reclamation Contract with the effective date of August 6, 2002 for your disposal. Also enclosed is a copy of the "approved" Notice of Intention to Revise Large Mining Operations for your files. If in the future, you wish to modify your mining and reclamation plan, please furnish a redlined and strikeout version of the page(s) you wish to change. When the changes reach final approval, a clean version of the pages will need to be submitted to be incorporated into the approved plan.

Duane Crutchfield
Page 2 of 2
M/023/012
November 17, 2003

Thank you for your help in finalizing this permitting action. Please call me if you have any questions in this regard.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is written in a cursive, flowing style with a large initial "D" and a prominent "H".

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Enclosure: Copies of RC & Surety Rider. Original 8/6/2002 RC.
Approved Revised Plan

cc: Rex Rowley, BLM, Fillmore FO (UTU-070687) w/Encl
O:\M023-Juab\M0230012-NielsonSSQuarry\Final\revise-apvl-11172003.doc

File Number M/023/012
Effective Date Nov 17, 2003
Other Agency File Number UTU-070687

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECEIVED

RECLAMATION CONTRACT
---ooOoo---

NOV - 7 2003

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>M/023/012</u>
(Mineral Mined)	<u>Silica Sandstone</u>
"MINE LOCATION":	
(Name of Mine)	<u>Nielson Sandstone Mine</u>
(Description)	<u>Approx. 20 miles south-west of Nephi, UT</u>
	<u>in Juab County</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>132.1 acres</u>
(Legal Description)	<u>(refer to Attachment "A")</u>
"OPERATOR":	
(Company or Name)	<u>Ash Grove Cement Company</u>
(Address)	<u>8900 Indian Creek Parkway Suite 600</u>
	<u>Overland Park, KS 66210</u>
	<u>PO Box 25900 (66225)</u>
(Phone)	<u>(913) 451-8900</u>

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

CT Corporation System

50 West Broadway

8th Floor

Salt Lake City, Utah 84101-2006

"OPERATOR'S OFFICER(S)":

See Attachment C

SURETY":

(Form of Surety - Attachment B)

Bond

Surety

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Travelers Casualty and Surety Company
of America

"SURETY AMOUNT":

(Escalated Dollars)

\$1,105,500.00

"ESCALATION YEAR":

2008

"STATE":

"DIVISION":

"BOARD":

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Ash Grove Cement Company the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/023/012 which has been approved/accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted

Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the approved/accepted Notice of Intention and Reclamation Plan or Notice received April 21, 2003. The Notice of Intention and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.

6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.
7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.

13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Ash Grove Cement Company
Operator Name

By Charles T. Sunderland
Authorized Officer (Typed or Printed)

Chairman of the Board
Authorized Officer - Position

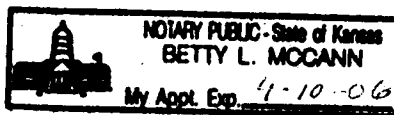
Charles T. Sunderland
Officer's Signature
November 5, 2003
Date

STATE OF KANSAS)
COUNTY OF JOHNSON) SS:

On the 6th day of November, 2003, Charles T. Sunderland
personally appeared before me, who being by me duly sworn did say that he/~~she~~ is the
Chairman of the Board of Ash Grove Cement Company and
duly acknowledged that said instrument was signed on behalf of said company by
authority of its bylaws or a resolution of its board of directors and said
Charles T. Sunderland duly acknowledged to me that said
company executed the same.

Betty L. McCann
Notary Public
Residing at Overland Park, Kansas

April 10, 2006
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By Lowell P Braxton
Lowell P. Braxton, Director

11-17-03
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 17th day of November, 2003, Lowell P Braxton personally appeared before me, who being duly sworn did say that he, the said Lowell P. Braxton is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he duly acknowledged to me that he executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns
Notary Public
Residing at: SLC ut

April 4, 2005
My Commission Expires:

ATTACHMENT "A"

Ash Grove Cement Company
Operator

Nielson Sandstone Mine
Mine Name

M/023/012
Permit Number

Juab County, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 132.1 acres under the approved / accepted permit and surety, as reflected on the attached map labeled 105-2 Proposed Disturbed Area Boundary and dated April 2003 :

NE ¼ Section 11,

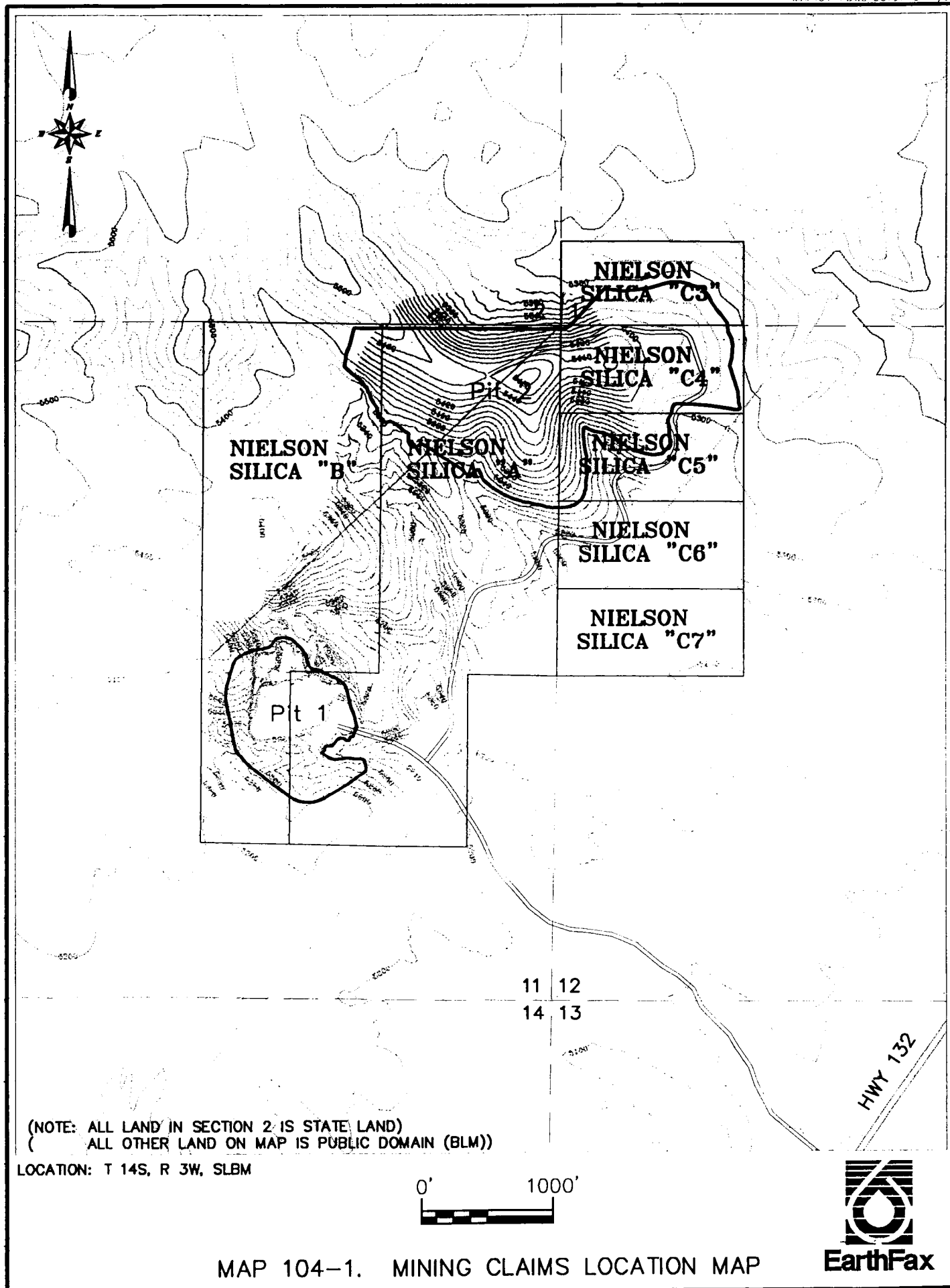
NW ¼ SE ¼ Section 11,

W ½ NE ¼ SE ¼ Section 11,

W ½ NW ¼ Section 12,

S ½ SW ¼ SW ¼ Section 1

All of which are located in Township 14 S, Range 3 W, SLB&M



MAP 104-1. MINING CLAIMS LOCATION MAP

**ASH GROVE CEMENT COMPANY
2003 OFFICERS**

Officers

James P. Sunderland *
Honorary Chairman of the Board
11011 Cody
Overland Park, KS 66210

Charles T. Sunderland *
Chairman of the Board of Directors
11011 Cody
Overland Park, KS 66210

Kenton W. Sunderland *
Vice Chairman of Board & Secretary
11011 Cody
Overland Park, KS 66210

Charles T. Wiedenhoft *
President & Chief Operating Officer
11011 Cody
Overland Park, KS 66210

John H. Ross III *
Sr. Vice President & General Counsel
11011 Cody
Overland Park, KS 66210

John F. Woodfill *
Vice President – Finance
11011 Cody
Overland Park, KS 66210

Joseph C. Burke
Vice President – Human Resources
11011 Cody
Overland Park, KS 66210

Francis L. Streitman
Vice President – Environmental Affairs
11011 Cody
Overland Park, KS 66210

Edwin S. Pierce
V.P. – Manufacturing, Midwest Division
11011 Cody
Overland Park, KS 66210

Stephen Joyce
V.P. - Manufacturing Services, Midwest Division
11011 Cody
Overland Park, KS 66210

Ronald V. DeLeenheer,
V.P. - Sales, Midwest Division
11011 Cody
Overland Park, KS 66210

Gary L. Church
Asst. Secretary & Asst. General Counsel
11011 Cody
Overland Park, KS 66210

Eileen Flink
Asst. Secretary & Asst. General Counsel
11011 Cody
Overland Park, KS 66210

Debra A. Mays
Assistant Treasurer, Midwest Division
11011 Cody
Overland Park, KS 66210

Mark J. Meads
Assistant Treasurer, Midwest Division
11011 Cody
Overland Park, KS 66210

*Also A Company Director

**ASH GROVE CEMENT COMPANY
2003 OFFICERS**

Officers - Continued

Western Region

George M. Wells *
Vice Chairman - Strategic Relationships
6700 SW Macadam Avenue, Suite 300
Portland, OR 97219

William H. Siemering
V.P. – Manufacturing, Western Division
6700 SW Macadam Avenue, Suite 300
Portland, OR 97219

Kenneth J. Rone, Jr.
V.P. - Corporate Maintenance
6700 SW Macadam Avenue, Suite 300
Portland, OR 97219

David H. Baker
Vice President – Sales, Western Division
6700 SW Macadam Avenue, Suite 300
Portland, OR 97219

Paul D. Livesay
Asst. Treasurer & Controller, Western Division
6700 SW Macadam Avenue, Suite 300
Portland, OR 97219

Elizabeth J. Reardon
Assistant Secretary, Western Division
6700 SW Macadam Avenue, Suite 300
Portland, OR 97219

*Also A Company Director

GENERAL PURPOSE RIDER

m/c 23/012

To be attached to and form part of Bond Number 6 effective April 30, 2002
issued by the Travelers Casualty and Surety Company of America in the amount of One Hundred Thirteen
Thousand, Four Hundred and No/100 (113,400.00) DOLLARS, on behalf of Ash Grove Cement Company
as Principal, and in favor of State of Utah, Division of Oil, Gas and Mining as Obligee:

NOW Therefore, it is agreed that:

Bond Amount is amended as follows:

FROM: One Hundred Thirteen Thousand, Four Hundred and No/100
(\$113,400.00) Dollars

TO: One Million, One Hundred Five Thousand, Five Hundred and
No/100 (\$1,105,500.00) Dollars

It is further understood and agreed that:

The number of affected acres is amended as follows:

FROM: 40

TO: 132.1

RECEIVED

NOV - 7 2003

DIVISION OF OIL, GAS & MINING

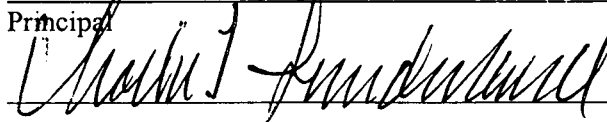
All other terms and conditions of this bond shall remain unchanged.

This rider is to be effective the 7th day of October, 2003.

Signed, sealed and dated this 31st day of October, 2003.

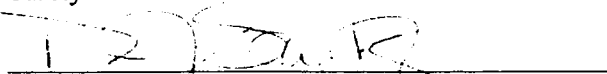
Ash Grove Cement Company

Principal



Travelers Casualty and Surety Company of America

Surety



Debra J. Scarborough, Attorney-in-Fact

**TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
Hartford, Connecticut 06183-9062**

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: **James C. Pateidl, Melissa D. Evans, Janet L. Rehkop, Patrick T. Pribyl, Kathy M. Loftus, Debra J. Scarborough, David M. Lockton, Toni P. O'Rear, Veronica Lawver, Christy M. McCart, Mary T. Flanigan, Ronald J. Lockton, of Kansas City, Missouri,** their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile (mechanical or printed) under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY have caused this instrument to be signed by their Senior Vice President and their corporate seals to be hereto affixed this 1st day of May 2002.

STATE OF CONNECTICUT

} SS. Hartford

COUNTY OF HARTFORD

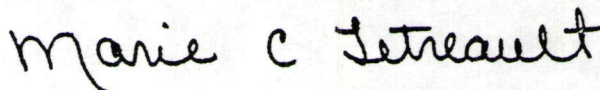
TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY



By 
George W. Thompson
Senior Vice President

On this 1st day of May, 2002 before me personally came GEORGE W. THOMPSON to me known, who, being by me duly sworn, did depose and say: that he/she is Senior Vice President of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, the corporations described in and which executed the above instrument; that he/she knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; and that he/she executed the said instrument on behalf of the corporations by authority of his/her office under the Standing Resolutions thereof.






My commission expires June 30, 2006 Notary Public
Marie C. Tetreault

CERTIFICATE

I, the undersigned, Assistant Secretary of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, stock corporations of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Boards of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this _____ day of _____, 2002.



By 
Kori M. Johanson
Assistant Secretary, Bond